

Planning & Development Services Report to
Intergovernmental Affairs Committee
2024 May 16

ISC: UNRESTRICTED
IGA2024-0534

Regional Water, Wastewater and Stormwater Servicing Request for Prairie Economic Gateway

PURPOSE

The purpose of this report is to seek approval in principle of a regional water, wastewater and stormwater servicing request for the Prairie Gateway Area Structure Plan (ASP) from Rocky View County (The County) (Attachment 2).

PREVIOUS COUNCIL DIRECTION

The City of Calgary (The City) has been providing bulk water and wastewater services outside its corporate boundaries since 1961 (Attachment 1). The City's current [Policy on Regional Water, Wastewater and Stormwater Servicing](#) (CP2018-01) (The Policy) provides guidance on how Administration receives, reviews, and administers regional servicing requests. The Policy states that upon receiving a written request for regional servicing, Administration is required to take a report to City Council with recommendations within six months. At Intergovernmental Affairs Committee of 2023 July 24, a report (IGA2023-0780) confirmed The City of Calgary's support for the Prairie Economic Gateway Initiative in collaboration with Rocky View County.

RECOMMENDATION:

That the Intergovernmental Affairs Committee recommend that Council:

1. Approve, in principle, the water, wastewater and stormwater services requested by Rocky View County for the Prairie Gateway Area Structure Plan area in their letter dated 2024 March 6; and
2. Direct Administration to commence Master Servicing Agreement negotiations in alignment with Council Policy on Regional Servicing and the process and approach of the broader Prairie Economic Gateway Initiative.

RECOMMENDATION OF THE INTERGOVERNMENTAL AFFAIRS COMMITTEE, 2024 MAY 16:

That Council:

1. Approve, in principle, the water, wastewater and stormwater services requested by Rocky View County for the Prairie Gateway Area Structure Plan area in their letter dated 2024 March 6; and
2. Direct Administration to commence Master Servicing Agreement negotiations in alignment with Council Policy on Regional Servicing and the process and approach of the broader Prairie Economic Gateway Initiative.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

General Manager Tim Keane concurs with this report. Advancing this servicing request demonstrates Calgary's commitment to regional collaboration and growth, while safeguarding Calgary's water supply and systems.

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HIGHLIGHTS

- The County submitted a servicing request letter in March 2024 to The City to allow connections for regional water, wastewater, and stormwater infrastructure necessary to support the proposed Prairie Gateway ASP.
- The request aligns with the Prairie Economic Gateway Initiative, which has been a collaborative project between The City and The County to facilitate the development of a regionally beneficial rail-served industrial facility, supported by a 'shared investment, shared servicing, shared benefit' framework. Administrations have been collaboratively drafting an Area Structure Plan to support this effort.
- Approval of this request would not commit either party to regional servicing, but would allow both Administrations to continue to collaborate.
- The City is committed to successful, sustainable regional growth as per the Calgary Metropolitan Region Board's (CMRB) Growth and Servicing Plans.
- At this time, City Administration has assessed that water and wastewater services could technically be provided to the Gateway ASP area as per Calgary's standard regional servicing approach. Regional stormwater servicing, which would be a first for The City, could also be provided.

DISCUSSION

In July 2023, The City and The County agreed to work collaboratively on the Prairie Gateway Economic Initiative. The Initiative would facilitate a new rail-supported industrial corridor with joint municipal investments and benefits. As part of this project, The County has submitted a request to The City to allow connections for regional water, wastewater, and stormwater servicing necessary to support the proposed Prairie Gateway ASP, as per The City's Policy on Regional Water, Wastewater and Stormwater Servicing.

The Policy supports sustainable regional growth in line with the CMRB Growth and Servicing Plans. The proposed ASP is outside of a Preferred Growth Area under the CMRB's Growth Plan. However, it has been determined that this area would likely be suitable for designation as an *Employment Area* outside of a Preferred Growth Area, subject to CMRB discussion and approval. This area presents a unique opportunity that cannot be located elsewhere due to its proximity to highway and rail infrastructure and would improve regional competitiveness in line with The City's 2018 Goods Movement Strategy. Except for the location outside of a designated Preferred Growth Area, the proposed ASP aligns with the CMRB Regional Growth Plan.

City Administration is advancing this service request with the understanding that it fits within the larger scope of the Prairie Economic Gateway Initiative. Where applicable, City staff will employ existing tools and processes to determine feasibility and, if supported by Council, provide service. Based on discussions to date, Administration anticipates the Utility's standard approach to cost recovery through regional rate setting will be followed and that Master Servicing Agreements (MSA) will contract the service and use of infrastructure up to points of custody.

Analysis

Administration reviewed the request, as required by The Regional Servicing Policy (CP2018-01), through the lenses of regional planning, utility infrastructure, environmental considerations, and contractual requirements.

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As discussed above, the ask, once the recommended conditions are satisfied, would meet relevant CMRB and City Policy and is viewed as a strong collaboration with neighbours.

Water Service:

Infrastructure options for The County to connect to The City's system at a potable water discharge point at or outside Calgary's municipal boundary are being reviewed. The options identified so far are not expected to limit The City's ability to support development within Calgary and may enable increased development in areas adjacent to the servicing. However this may trigger the advancement of capital investments in treatment plant capacity. This service would require an Agreement for water servicing with The County. Water licencing would be resolved before a servicing agreement is finalized.

Wastewater Service:

Infrastructure options for The County to connect at a wastewater discharge point at Calgary's municipal boundary are being reviewed. The options identified so far are not anticipated to impact The City's ability to support development in Calgary and may enable increased development in areas adjacent to the servicing.

The City already has a wastewater agreement with The County for specific areas in Bearspaw and the Highway 8 corridor. City and County staff will determine whether the existing MSA will be expanded to include the Prairie Gateway ASP area or if this service area warrants a separate Agreement.

Stormwater:

While the Regional Servicing Policy applies to regional stormwater service, The City has never provided stormwater service outside of Calgary's boundaries. City staff are working with The County to specify the expectations and requirements of the requested service. It is anticipated that The County will own and operate the infrastructure upstream of the discharge point at Calgary's municipal boundary and will meet specified discharge requirements. The options identified so far are not anticipated to impact The City's ability to support development in Calgary.

A Master Servicing Agreement would be developed to support this novel regional service. The MSA would document the rate approach to support cost recovery for this regional service. Attachment 3 provides the initial concepts for this potential service.

Administration is recommending that Council approve this request, in principle, allowing The City to begin negotiations on the servicing terms and conditions. The agreement related to shared investment, shared servicing, and shared benefit is anticipated to be separate from the utility servicing agreements. If successful, Administration will bring a second report to Council with recommendations on approval of the general MSA conditions.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|---|--|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Public/interested parties were informed |
|---|--|

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- Dialogue with interested parties was undertaken Public communication or engagement was not required

The City continues to work collaboratively with The County and the developer on the Prairie Gateway ASP. Public engagement has occurred in support of the Prairie Gateway ASP. Further public engagement is planned for 2024 May and will include servicing solutions.

IMPLICATIONS

Social

The City continues to redefine our relationship with neighboring municipalities by exploring partnerships and the borderless delivery of essential services in support of the vision for the Calgary Metropolitan Region and its residents.

Environmental

The CMRB Growth Plan requires piped water and wastewater services for Employment Areas, and The City is well-positioned to provide these services. Providing stormwater service achieves the environmental protection and water stewardship policy direction of the CMRB Growth Plan.

Economic

The proposed development could provide an economic development opportunity that is both regionally and provincially significant.

Providing support through regional servicing to the Prairie Gateway service area may result in The City being able to meet service demands in some areas in Calgary earlier than currently planned and may enable infrastructure to support a potentially significant employment area that could create job opportunities for Calgarians.

Service and Financial Implications

New capital funding request

City Administration is working with The County to assess and select servicing infrastructure options. The associated capital funding would be included in future business cycle capital plans.

RISK

This report recommends approval in principle of the servicing request. Risks emerging from the subsequent Master Servicing Agreement negotiations are mitigated by the Policy requirement to return to Calgary Council for approval of the general and special MSA conditions prior to execution.

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If the request does not receive support, there is the risk to the broader Prairie Economic Gateway Initiative with Calgary being perceived as not supporting collaboration for regional growth and development in the Calgary Metropolitan Region.

ATTACHMENTS

1. Background and Previous Council Direction
2. Prairie Gateway ASP Request for Support
3. Potential Regional Service Descriptions
4. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Timothy Keane, GM	PDS - GMO	Approve
Carolyn Bowen, Director	PDS – Climate and Environment	Approve
Matthew Sheldrake, Acting Director	PDS – City and Regional Planning	Approve
Nancy Mackay, Director	OS – Water Services	Consult

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